

# Audited Consolidated Financial Statements

**U.S. Department of the Interior**  
**Consolidated Statement of Financial Position**  
**September 30, 1997 and 1996**  
(dollars in thousands)

	1997	1996
<b>ASSETS</b>		
<b>Current Assets</b>		
Fund Balance with Treasury (Note 2)	\$ 4,903,251	\$ 4,562,983
Cash and Other Monetary Assets	31,904	19,516
Investments: (Note 3)		
Treasury Securities	2,068,110	1,944,722
Public Securities	26,736	26,775
Accounts Receivable: (Note 4)		
Public, Net of Allowance for Doubtful Accounts	230,736	206,507
Due from Federal Agencies	497,582	449,964
Operating Materials and Supplies	2,155	1,945
Inventory (Note 5)	27,118	30,051
<b>Total Current Assets</b>	<b>7,787,592</b>	<b>7,242,463</b>
<b>Property, Plant and Equipment, Net of Depreciation (Note 6)</b>		
Buildings, Structures and Facilities	16,318,061	15,954,017
Equipment, Vehicles and Aircraft	582,387	598,123
Other Property, Plant and Equipment	2,987	0
<b>Total Property, Plant and Equipment</b>	<b>16,903,435</b>	<b>16,552,140</b>
<b>Stewardship Assets (Note 7)</b>		
<b>Other Assets</b>		
Loans and Interest Receivable, Net of Allowance for Doubtful Accounts (Note 8)	223,107	284,354
Available from Contract Authority (Note 1M)	197,781	218,981
Non-Current and Unmatured Receivables (Note 4)	336,420	225,589
Stockpile Inventory - Helium (Note 5)	366,142	366,235
Unmatured Timber Sales Contracts (Note 1N)	93,579	99,669
General Investigation Costs (Note 1O)	586,876	540,455
Other Assets	332,661	336,871
<b>Total Other Assets</b>	<b>2,136,566</b>	<b>2,072,154</b>
<b>Restricted Assets (Note 9)</b>		
Conservation Funds - Fund Balance with Treasury	14,071,704	13,225,699
Reclamation Fund - Fund Balance with Treasury	1,702,462	1,488,551
Reclamation Fund Accounts Receivable	1,375,667	1,382,485
<b>Total Restricted Assets</b>	<b>17,149,833</b>	<b>16,096,735</b>
<b>Total Department Assets</b>	<b>43,977,426</b>	<b>41,963,492</b>
<b>Assets Held on Behalf of Others</b>		
Royalty Management:		
Fund Balance with Treasury (Note 2)	442,836	389,966
Escrow Investments (Note 3)	1,667,348	1,537,531
Accounts Receivable	386,991	244,263
Non-Royalty Management:		
Funds Transferable to Treasury	105,184	109,205
Non-Current and Unmatured Receivables (Note 4)	1,991,467	1,681,429
<b>Total Assets Held on Behalf of Others</b>	<b>4,593,826</b>	<b>3,962,394</b>
<b>TOTAL ASSETS</b>	<b>\$ 48,571,252</b>	<b>\$ 45,925,886</b>

The accompanying notes are an integral part of these financial statements.

**U.S. Department of the Interior**  
**Consolidated Statement of Financial Position**  
**September 30, 1997 and 1996**  
(dollars in thousands)

	1997	1996
<b>LIABILITIES AND NET POSITION</b>		
<b>Liabilities</b>		
<b>Liabilities Covered by Budgetary Resources</b>		
<b>Liabilities to the Public:</b>		
Accounts Payable to the Public	\$ 225,328	\$ 266,777
Accrued Payroll and Benefits (Note 1Q)	175,785	148,519
Advances and Deferred Credits	217,360	293,423
Deferred Revenue (Note 10)	3,725,128	3,314,168
Escrow Investments	1,667,348	1,553,135
Other Liabilities to the Public	28,834	79,218
<b>Total Liabilities to the Public</b>	<b>6,039,783</b>	<b>5,655,240</b>
<b>Liabilities to Federal Agencies:</b>		
Accounts Payable	43,223	64,942
Receipts Transferable to Treasury	58,414	58,961
Other Amounts Payable to Treasury	265,988	402,721
Notes Payable to Treasury (Note 11)	1,435,508	1,420,733
Undistributed Royalty Collections (Note 1S)	829,827	618,625
Deferred Revenue and Other	91,606	73,092
<b>Total Liabilities to Federal Agencies</b>	<b>2,724,566</b>	<b>2,639,074</b>
<b>Total Liabilities Covered by Budgetary Resources</b>	<b>8,764,349</b>	<b>8,294,314</b>
<b>Liabilities Not Covered by Budgetary Resources</b>		
<b>Liabilities to the Public:</b>		
Unfunded payroll costs (Note 1Q)	438,998	280,260
Other unfunded liabilities	68,817	73,438
<b>Total Liabilities to the Public</b>	<b>507,815</b>	<b>353,698</b>
<b>Contingent Liabilities (Note 12)</b>	<b>565,470</b>	<b>-</b>
<b>Total Liabilities Not Covered by Budgetary Resources</b>	<b>1,073,285</b>	<b>353,698</b>
<b>Total Liabilities</b>	<b>9,837,634</b>	<b>8,648,012</b>
<b>Net Position</b>		
Unexpended Appropriations	5,101,190	4,414,229
Cumulative Results of Operations	17,843,300	18,149,395
Restricted Equity-Conservation and Reclamation Funds	15,789,128	14,714,250
<b>Total Net Position</b>	<b>38,733,618</b>	<b>37,277,874</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 48,571,252</b>	<b>\$ 45,925,886</b>

The accompanying notes are an integral part of these financial statements.

**U.S. Department of the Interior**  
**Consolidated Statement of Net Cost of Operations**  
**for the years ended September 30, 1997 and 1996**  
(dollars in thousands)

	1997	1996
<b>Expenses</b>		
<b>Operating Expenses (Note 13)</b>		
Natural Resources	\$ 5,522,773	\$ 4,982,775
Indian Affairs	2,157,106	2,045,314
Science	1,100,720	1,079,288
Other	469,269	430,090
<b>Total Operating Expenses</b>	<b>9,249,868</b>	<b>8,537,467</b>
<b>Other Expenses</b>		
Depreciation and Amortization	500,135	561,625
Net Loss on Disposition of Assets	28,188	74,501
Bad Debt Expense	(16,176)	40,486
Interest on Borrowing from Treasury	22,783	36,803
Other Interest Expense	12,896	18,903
Other Expenses	243,601	2
<b>Total Other Expenses</b>	<b>791,427</b>	<b>732,320</b>
<b>Deferred Maintenance (Note 14)</b>		
<b>Total Expenses</b>	<b>10,041,295</b>	<b>9,269,787</b>
<b>Revenues</b>		
<b>Sales of Goods and Services to the Public</b>		
Natural Resources	860,672	780,227
Indian Affairs	134,860	123,470
Science	129,309	119,585
Other	1,390	3,414
<b>Total Sales of Goods and Services to the Public</b>	<b>1,126,231</b>	<b>1,026,696</b>
<b>Sales of Goods and Services to Federal Agencies</b>		
Natural Resources	525,717	566,888
Indian Affairs	6,202	4,814
Science	204,860	212,257
Elimination of Intra-Department Activity and Other	(68,514)	(50,804)
<b>Total Sales of Goods and Services to Federal Agencies</b>	<b>668,265</b>	<b>733,155</b>
<b>Other Revenues</b>		
Interest - Federal	7,599	4,936
Interest, Penalties and Insurance Guarantee Premiums	58,701	56,744
Other Revenues	481,864	328,416
<b>Total Other Revenues</b>	<b>548,164</b>	<b>390,096</b>
<b>Total Revenues</b>	<b>2,342,660</b>	<b>2,149,947</b>
<b>NET COST OF OPERATIONS</b>	<b>\$ 7,698,635</b>	<b>\$ 7,119,840</b>

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**U.S. Department of the Interior**  
**Consolidated Statement of Changes in Net Position**  
**for the years ended September 30, 1997 and 1996**  
(dollars in thousands)

	1997	1996
<b>Change in Net Position</b>		
<b>Change in Net Position from Operations</b>		
<b>Net Cost of Operations</b>	\$ (7,698,635)	\$ (7,119,840)
<b>Financing Sources other than Revenue:</b>		
Appropriations Used - Current	8,376,254	8,035,475
Conservation Fund Revenues	1,041,996	1,058,005
Abandoned Mine Fees Collected	346,066	331,031
Imputed Financing Sources	286,612	5,874
Fines and Penalties	104,286	67,045
<b>Changes from Financing Sources other than Revenue</b>	10,155,214	9,497,430
<b>Custodial Activity</b>		
Collection of Custodial Revenue	6,364,851	5,061,396
Custodial Revenue Transferred to Others	(6,182,164)	(4,664,736)
<b>Net Change in Royalties to be Transferred</b>	(182,687)	(396,660)
<b>Net Change from Custodial Activity</b>	-	-
<b>Other Changes from Operations:</b>		
Transfers to Others - Conservation Funds	(195,991)	(175,468)
Other Transfers	(1,098,999)	(929,369)
Other Changes in Equity (Note 15)	39,707	(3,240,444)
<b>Other Net Changes from Operations</b>	(1,255,283)	(4,345,281)
<b>Net Results of Operations</b>	1,201,296	(1,967,691)
<b>Prior Period Adjustments (Note 15)</b>		
Prior Period Adjustments	(432,513)	(1,896,554)
Appropriations Used related to Prior Period Adjustments	-	2,450,287
<b>Change in Net Position from Operations</b>	768,783	(1,413,958)
<b>Other Changes in Net Position</b>		
Increase in Unexpended Appropriations	686,961	220,072
<b>Net Change in Net Position</b>	1,455,744	(1,193,886)
<b>Net Position - Beginning of Year</b>	37,277,874	38,471,760
<b>Net Position - End of Year</b>	\$ 38,733,618	\$ 37,277,874

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**U.S. Department of the Interior**  
**Consolidated Statement of Custodial Activity**  
**for the years ended September 30, 1997 and 1996**  
(dollars in thousands)

	1997	1996
<b>Collections on Behalf of the Federal Government</b>		
<b>Mineral Lease Collections</b>		
Rents and Royalties	\$ 4,891,647	\$ 4,264,540
Offshore Lease Sales	1,338,559	714,764
Other	48,588	1,078
<b>Total Mineral Lease Collections</b>	<b>6,278,794</b>	<b>4,980,382</b>
<b>Earnings on Escrow Investments</b>		
Interest Earned - Federal Investments	40,181	41,044
Amortized Discount on Federal Investments (Note 3)	45,876	39,970
<b>Total Earnings on Escrow Investments</b>	<b>86,057</b>	<b>81,014</b>
<b>Total Collections on Behalf of the Federal Government</b>	<b>\$ 6,364,851</b>	<b>\$ 5,061,396</b>
<b>Disposition of Collections</b>		
<b>Transferred to Others</b>		
Department of the Treasury	\$ 3,820,661	\$ 2,601,616
National Park Service Conservation Funds	1,046,980	1,046,906
States	684,908	546,892
Bureau of Reclamation	442,985	350,264
Indian Tribes and Agencies	53,954	41,218
Minerals Management Service Offshore Program	41,000	15,400
Other Federal Agencies	29,553	20,574
Other Transfers	62,123	41,866
<b>Total Transferred to Others</b>	<b>6,182,164</b>	<b>4,664,736</b>
<b>Increase in Collections Pending Transfer</b>	<b>182,687</b>	<b>396,660</b>
<b>Total Disposition of Collections</b>	<b>\$ 6,364,851</b>	<b>\$ 5,061,396</b>

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